

AN ORDINANCE 2006-03-02-0273

AUTHORIZING THE EXECUTION OF A FIVE YEAR LEASE AGREEMENT WITH S & S SHOPPING CENTERS, LTD FOR CLINIC SPACE FOR THE SAN ANTONIO METROPOLITAN HEALTH DISTRICT WOMEN, INFANTS AND CHILDREN CLINIC LOCATED AT 3600 FREDERICKSBURG ROAD FOR THE PERIOD FEBRUARY 1, 2006 THROUGH JANUARY 31, 2011; AND AUTHORIZING PAYMENTS.

* * * * *

WHEREAS, the San Antonio Metropolitan Health District's Women, Infants and Children Supplemental Nutrition Program (WIC) provides WIC services to an average monthly caseload of approximately 6,300 participants; and

WHEREAS, the WIC clinic has been housed at 3600 Fredericksburg Road since 2001; and

WHEREAS, the Texas Department of State Health Services has approved the location and has authorized funds to pay the lease which is for an amount up to \$316,750.00; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:


SECTION 1. The City Manager or her designee is authorized to execute a five year lease agreement with S & S Shopping Centers, Ltd for clinic space for the San Antonio Metropolitan Health District Women, Infants and Children Clinic located at 3600 Fredericksburg Road for the period February 1, 2006 through January 31, 2011. A copy of said lease is attached hereto and incorporated herein for all purposes as Attachment I.

SECTION 2. Payments not to exceed \$45,000.00 are hereby authorized to be paid from Fund 26016000, Fund Center 3606110000, Internal Order 136000000293, GL Account No. 5206010, Rental of Facilities, on a monthly basis to S & S Shopping Centers, Ltd for the period February 1, 2006 through September 30, 2006. Lease payments for October 1, 2006 and beyond are to be encumbered through subsequent grant receipts for the Women, Infants & Children Program (WIC) and approved through Council.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers and Internal order numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance shall be effective on and after March 12, 2006.

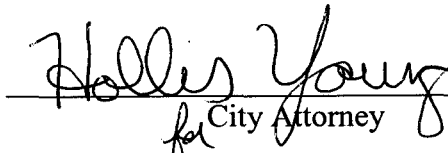
PASSED AND APPROVED this 2nd day of March, 2006.


M A Y O R
PHIL HARDBERGER

ATTEST:


City Clerk

APPROVED AS TO FORM:


for City Attorney

LEASE AGREEMENT

STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF BEXAR

This Lease Agreement is made in duplicate originals by and between, S & S Shopping Ctrs Ltd (hereinafter referred to as "LESSOR") and the CITY OF SAN ANTONIO (hereinafter referred to as "LESSEE"), a Texas Municipal Corporation acting by and through its City Manager pursuant to Ordinance No. _____ adopted on _____, 2006.

ARTICLE I

DEMISE AND DESCRIPTION OF PROPERTY

1.1 LESSOR, for and in consideration of the rent, covenants, and promises herein contained to be kept, performed and observed by LESSEE, does hereby lease that certain real property (hereinafter alternatively referred to as the "Premises" or the "Leased Premises"), situated in Bexar County, Texas, and described as follows, to- wit:

5,000 square feet of the retail center located at 3600 Fredericksburg Road, Suite 200 San Antonio, Texas 78201, all of which is described on Exhibit A. The premises are cross hatched on Exhibit A-1.

ARTICLE II
PREMISES

2.1 LESSOR warrants that the Leased Premises are suitable for LESSEE'S intended purpose.

ARTICLE III
TERM

3.1 The term of this Lease Agreement shall be for a period of five (5) years, commencing on February 1, 2006 and terminating on January 31, 2011. The parties agree to execute a Memorandum of Commencement Date stating both the Commencement Date and the Ending Date of the term of this lease agreement and being in a form mutually agreed upon by the parties hereto and mutually binding on both parties as if set out here in full.

3.2 Lessor shall obtain a Certificate of Occupancy if legally required.

ARTICLE IV
ACCESS TO PREMISES

4.1 As long as a representative of LESSEE is present, and always accompanies LESSOR or LESSOR's authorized representatives, LESSOR shall have the right to enter upon the Leased Premises during business hours for the purposes of abating nuisances or protecting the Leased Premises, inspecting the same or of making repairs, additions or alterations thereof or to the

Building located thereon, or the Property, or for the purposes of exhibiting the same to prospective purchasers, at any time during the lease term or to prospective LESSEE's within thirty (30) days before the end of the lease Term. Further, LESSOR shall have the right without LESSEE's consent to enter upon the Leased Premises for emergency purposes, such as, but not limited to, curing of plumbing or electrical problems.

ARTICLE V RENTAL RATE

5.1 For and during the term of this lease, LESSEE shall pay to LESSOR as rent for the Leased Premises: Five thousand dollars (\$5,000.00) per month rent and \$0.67 per square foot for common area charges per year. The total cost for the five year lease will not exceed three hundred sixteen thousand, seven hundred and fifty dollars (\$316,750.00).

Rent for any fractional month at the beginning or end of the lease term shall be prorated based on the actual number of days in said month.

5.2 LESSEE shall pay such rent, in legal tender, PAYABLE TO:

S & S Shopping Ctrs Ltd
P.O. Box 972425
Dallas, TX 75397-2425

or to such other address as LESSOR may designate in writing to LESSEE from time to time.

ARTICLE VI USE OF LEASED PREMISES

6.1 The Leased Premises are to be used by LESSEE as general office or clinic space for the San Antonio Metropolitan Health District.

ARTICLE VII NO WASTE, NUISANCE, OR UNLAWFUL USE

7.1 LESSEE shall not commit, or allow to be committed, any waste on the Leased Premises, create or allow any nuisance to exist on the Leased Premises, or use or allow the Leased Premises to be used for an unlawful purpose.

ARTICLE VIII PAYMENT OF OPERATING EXPENSES AND TAXES

8.1 LESSEE shall maintain heating and air-conditioning equipment in operational condition, maintain all common areas of the building exterior, pay for all utilities (gas, water, sewer, and electrical), and provide custodial services and supplies required.

8.2 LESSEE agrees to pay all state, city and county taxes which may be assessed on the personal

property contained in and on the Leased Premises, and they shall be paid by LESSEE prior to becoming delinquent. LESSOR agrees to pay all state, city and county taxes against the real estate and all assessments that may arise out of the improvement on said property.

ARTICLE IX REPAIR AND MAINTENANCE

9.1 LESSEE shall give to LESSOR prompt written notice of any damage to, or defective condition in any part or appurtenance of the Building's plumbing, electrical, heating, air-conditioning or other system serving, located in, or passing through the Premises. Subject to the provisions of ARTICLE X, LESSEE shall, at LESSEE's own expense, keep the Premises in good order, condition and repair during the term hereof, including repair and replacement of interior window glass, except that LESSOR, at LESSOR's expense, shall keep in good working order the elevator, electrical lines, plumbing fixtures located in the Building (except those installed by LESSEE, with LESSOR's approval), heating and air-conditioning, equipment, outside walls, and the roof. LESSEE, at LESSEE's expense, shall comply with all laws and ordinances, and all rules and regulations of all governmental authorities and of all insurance bodies at any time in force, applicable to the Premises or to LESSEE's use thereof, except that LESSEE shall not hereby be under any obligations to comply with any ordinance, rule or regulation requiring any structural alteration of, or in connection with, the Premises, unless such alteration is required by reason of a condition which has been created by, or at the instance of, LESSEE, or is required by reason of a breach of any of the LESSEE's agreements hereunder. LESSOR shall not be required to repair any damage by fire or other cause, or to make any repairs or replacements of any panels, decoration, office fixtures, railing, ceiling, floor covering, partitions, or any other property installed in the Premises by the LESSEE, unless such damage or need for repair, replacement, or installation is caused by the negligence of LESSOR.

9.2 All repairs of the roof, walls, exterior window glass, common areas, stairway, and structural elements, specifically including the foundation, shall be the obligation of LESSOR.

9.3 LESSOR shall maintain the parking areas and landscaping and shall provide, at its expense, all other repairs and maintenance of its rental space

ARTICLE X INSURANCE

10.1 LESSEE will self-insure to provide for and maintain Comprehensive General (Public) Liability or Commercial General Liability coverage on the Leased Premises and its contents for the term of the lease. The limits of this liability are \$250,000 per person for personal injury or death, up to \$500,000 per occurrence, and \$100,000 per occurrence for injury to or destruction of property, being the statutory limit.

10.2 LESSEE shall provide such self-insurance as it deems advisable to insure against loss of any of its property in the Leased Premises.

10.3 LESSOR agrees to maintain adequate Commercial General Liability Insurance of not less

than two million dollars (\$2,000,000) for General Aggregate; one million (\$1,000,000) Each Occurrence, Personal and Advertising Injury, and Products/Completed Operations. If LESSOR's existing Insurance does not meet minimum limits as stated herein, LESSOR agrees to increase coverage to minimum limits at next renewal of current Commercial General Liability Policy. At renewal of current Commercial General Liability Policy, LESSOR agrees to endorse said policy to include as Additional Insured The City of San Antonio, its officials, employees, representatives and volunteers under General Liability. LESSOR agrees that this Policy will be primary and that any Insurance or Self Insurance by the City of San Antonio shall be excess.

ARTICLE XI DISCLAIMER OF INDEMNITY

11.1 LESSEE shall not be liable or responsible for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or order of governmental body or authority or other matter beyond the reasonable control of LESSEE, except as results from LESSEE's sole active negligence, as determined by a court of competent jurisdiction and upon final adjudication or settlement and then not in excess of the limits of liability under the Texas Tort Claims Act.

ARTICLE XII DESTRUCTION OF LEASED PREMISES

12.1 If the Leased Premises are partially destroyed or otherwise made untenantable in whole or in part by fire, other casualty, or for any other reason during the term of this Lease, LESSOR shall (I) commence the repair of the Leased Premises to the condition it was in prior to such damage or destruction within thirty (30) days after the partial destruction, (II) diligently pursue the repair work in the order of priority designated by LESSOR, and (III) complete such repairs within one hundred eighty (180) days after the date of destruction. Rent for the Leased Premises will be reduced proportionately to the extent to which the repair operations interfere with the normal conduct of LESSEE's business on the Leased Premises. If the repairs cannot be so made within one hundred eighty (180) days after the partial destruction, LESSEE has the option to terminate this Lease Agreement.

12.2 If the building in which the Leased Premises are located is more than fifty percent (50%) destroyed, either party may at its option, terminate the Lease Agreement whether the Leased Premises are damaged or not.

12.3 If neither party terminates under the provisions of Section 12.2, then LESSOR shall be obligated to provide written notice (hereinafter referred to as the "Restoration Notice") to LESSEE within sixty (60) days of such event of casualty stating a good faith estimate, certified by an independent architect, of the period of time (hereinafter referred to as the "Stated Restoration Period") which shall be required for the repair and restoration of the Leased Premises and/or the Building. LESSEE shall thereafter have the right, at its election, to terminate the Lease if either (I) the Stated Restoration Period shall be in excess of one hundred eighty (180) days following the event of casualty and LESSEE terminates this Lease with written notice thereof to LESSOR within ten (10) days following delivery of the Restoration Notice, or (II)

LESSOR shall fail to substantially complete the repair and restoration of the Leased Premises or the Building within the Stated Restoration Period (subject to force majeure extensions as may be provided herein) and LESSEE delivers written notice of such termination to LESSOR within ten (10) days following the expiration of the restoration deadline. In the event of fire or other casualty which prevents LESSEE from using the Leased Premises, all rent shall abate for the period LESSEE is unable to use said premises.

ARTICLE XIII PEACEFUL ENJOYMENT

13.1 LESSOR covenants that LESSEE shall and may peacefully have, hold, and enjoy the Leased Premises, subject to the other terms hereof, provided that LESSEE pays the rental and other sums herein recited to be paid by LESSEE and performs all of LESSEE's covenants and agreements herein contained.

ARTICLE XIV MORTGAGE OF LESSOR'S INTEREST

14.1 LESSOR shall have the right to (1) mortgage and/or (2) sell or otherwise transfer, ("sell or otherwise transfer" is collectively hereinafter referred to as "transfer", whether used as a verb or noun) its fee simple interest in the real property and Building, including the Leased Premises, located thereon (hereinafter referred to collectively as "Property") with the following conditions:

a. LESSOR shall notify LESSEE not less than thirty (30) days prior to mortgage or transfer of the Leased Premises.

b. With respect to any future mortgages against, or transfers of, the Property, and in connection with any requested subordination, LESSEE agrees (1) to subordinate its leasehold interest to any mortgage or other transfer instrument executed by LESSOR, as Owner, or Transferor or otherwise, as applicable, which said mortgage or other transfer instrument creates a lien or other encumbrance against the Leased Premises, or to the Transferee, if a transfer occurs, and (2) to attorn to the Mortgage Holder of said mortgage, if foreclosure thereof occurs, or to Transferee, if a transfer occurs, in exchange for said Mortgage Holder's or Transferee's written recognition of LESSEE's right to remain in peaceful possession of the Leased Premises under the existing Lease with LESSOR, provided LESSEE is not in default in payment of rent or otherwise. LESSOR shall, within thirty (30) days following the Commencement Date of this Lease, secure a Non-Disturbance and Attornment Agreement from any existing mortgage holder. Furthermore, LESSOR agrees to secure a Non-Disturbance and Attornment agreement from any future mortgage holder, lienholders, and any subsequent purchaser of the Property.

c. It is the intent of the parties hereto, and LESSOR agrees to incorporate into any legal documents evidencing a mortgage or transfer of the Property, including but not limited to, a subordination and attornment agreement and an estoppel certificate, with language to the effect that any subsequent Mortgage Holder or Transferee or Lessor of the Building and/or the ground (1) will be bound by all of the provisions of this Lease and (2) will recognize

LESSEE'S rights to remain in peaceful possession of the Leased Premises.

d. LESSEE agrees to furnish, from time to time, within twenty (20) days after receipt of a written request from LESSOR or LESSOR's mortgagee, a statement certifying, if applicable and to the extent true, the following: LESSEE is in possession of the Premises; the Premises are acceptable; the Lease is in full force and effect; the Lease is unmodified; LESSEE claims no present charge, lien, or claim of offset against rent: the rent is paid for the current month, but is not prepaid for more than one month and will not be prepaid for more than one month in advance; there is no existing default by reason of some act or omission by LESSOR; and such other matters as may be reasonably required by LESSOR or LESSOR's mortgagee including evidence of the subordination of LESSEE's leasehold interest referenced in this Article.

e. LESSEE agrees to execute any legal documents and statements required pursuant to subsections c. and d. above, upon prior review and approval by the City Attorney. Execution of said legal documents and statements by the City Manager or his designee shall be administrative in nature and will not require City Council approval.

ARTICLE XV ASSIGNMENT OR SUBLEASE

15.1 LESSEE agrees not to assign or sublease the Leased Premises, lease any part thereof, or any right or privilege connected therewith, or to allow any other person, except LESSEE's agents and employees, to occupy the Leased Premises or any part thereof, without first obtaining the LESSOR's written consent; such consent not to be unreasonably withheld. LESSOR may make an assignment to a mortgagee without prior consent of LESSEE as long as the provisions of ARTICLE XIV, above are complied with.

ARTICLE XVI DEFAULT AND REMEDIES LESSEE'S DEFAULT

16.1 An Event of Default in the Lease Agreement shall occur should LESSEE neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained and on LESSEE's part to be performed or in any way observed and if such neglect or failure should continue for a period of thirty (30) days after receipt by LESSEE of written notice of such neglect or failure except for the failure or neglect to pay any installment of rent wherein such neglect or failure must be cured within ten (10) days after receipt by LESSEE of written notice of such neglect or failure. However, if more than thirty (30) days shall be required because of the nature of the Event of Default, LESSEE shall be allowed to cure if within said thirty (30) days period LESSEE commences and thereafter diligently proceeds to cure such Event of Default but under no circumstances shall the period of notice and cure exceed sixty (60) days from the date of such event of Default by LESSEE. LESSEE will be notified of any monetary default through the Director of Finance, CITY OF SAN ANTONIO, P.O. BOX 839966, SAN ANTONIO, TEXAS 78283-3966. Any other notice of default shall be directed to the SAN ANTONIO METROPOLITAN HEALTH DISTRICT office, 332 W. Commerce, San Antonio, Texas 78205,

ATTN: Director, with copies in each instance to be sent to the City Clerk, CITY OF SAN ANTONIO, P.O. BOX 839966, SAN ANTONIO, TEXAS 78283-3 966.

16.2 Upon default and failure of LESSEE to cure as stated above, LESSOR may terminate this Lease Agreement by written notice to LESSEE or without terminating, LESSOR may, without being obligated to do so, re-enter and relet the Leased Premises or any part thereof upon the best rent and best terms possible as soon as reasonably possible and with reasonable effort on the part of LESSOR. LESSEE shall be liable for the payment each month as due during the remaining balance of the lease term for said difference in rent occasioned by the reletting, so long as LESSOR has relet to a viable LESSEE, other than a related party.

16.3 LESSEE shall have the right, within thirty (30) days after the date of termination of this Lease Agreement, except when termination is a result of LESSEE's default under the provisions of this Lease Agreement to remove from the Leased Premises all of its furniture, fixtures, equipment and furnishings, including any glass partitions, any alarm systems or other items which are not the property of LESSOR and with respect to any damage caused by LESSEE's sole active negligence in such removal, LESSEE shall have the obligation to restore the Leased Premises to its condition prior to such removal, save and except for normal wear and tear.

LESSOR'S DEFAULT

16.4 An Event of Default shall occur should LESSOR fail to perform any of its covenants or obligations hereunder after the date of commencement of this Lease Agreement, or in the instance of any of the following events:

1. Appointment of a receiver to take possession of LESSOR's assets,
2. LESSOR's general Assignment of assets for the benefit of creditors,
3. LESSOR's insolvency,
4. LESSOR's taking or suffering action under the Bankruptcy Act, which action constitutes a breach of this Lease, and said LESSEE shall have the right to (1) file an action for damages or (2) terminate this Lease Agreement; however, LESSEE shall not exercise LESSOR's right to sue for damages or to terminate unless and until (1) LESSEE gives written notice of such default (which notice shall specify the exact nature of said default with particularity and how the same may be cured) to the LESSOR, and (2) said LESSOR fails to cure or cause to be cured said default within thirty (30) days from the receipt of such notice from LESSEE. However, if more than thirty (30) days shall be required because of the nature of the Event of Default, LESSOR shall be allowed to cure if within said thirty (30) days period LESSOR commences and diligently proceeds to cure said Event of Default, but in no event shall such date extend later than sixty (60) days after the date of the Event of Default by LESSOR.

16.5 The term "LESSOR" shall mean only the owner, for the time being, **S & S Shopping Ctrs Ltd.**, and in the event of the transfer by such owner of its interest in said Building, such owner

shall thereupon be released and discharged from all covenants and obligations of the LESSOR thereafter occurring but only so long as (1) such covenants and obligations shall be binding during the Term of this Lease upon each new owner for the duration of such owner's ownership and (2) such new owner recognizes LESSEE's right to peaceful possession of the Leased Premises.

ARTICLE XVII EFFECT OF WAIVER

17.1 Either party's waiver of a breach of one covenant or condition of this Lease Agreement is not a waiver of a breach of any other covenants or conditions, or of a subsequent breach of the one waived. LESSOR's acceptance of rent installments after a breach is not a waiver of the breach, except of a breach of the covenant to pay the rent installment or installments accepted.

ARTICLE XVIII EFFECT OF EMINENT DOMAIN PROCEEDINGS

18.1 Eminent domain proceedings commenced by entities other than LESSEE, which result in the condemnation of a material part of the Leased Premises herein that impacts LESSEE's usage, will allow LESSEE to terminate this Lease Agreement in its entirety. If LESSEE does not terminate, LESSEE's rental for the remainder of the lease term shall in such case be reduced by the amount that reflects the loss of the LESSEE's usage. Provided, however, if forty percent (40%) of the Leased Premises is condemned, either LESSOR or LESSEE may terminate this Lease Agreement in its entirety. If the Lease Agreement is terminated, LESSEE and LESSOR shall each be entitled to compensation for any loss arising from such condemnation.

ARTICLE XIX ADDITIONS AND IMPROVEMENTS

19.1 All fixtures, alterations, additions and improvements made by LESSOR (except trade fixtures) permanently attached to the Leased Premises, shall be the property of LESSOR and shall remain upon and be surrendered by LESSEE with the Leased Premises as part thereof at the termination of this Lease Agreement, with the exception of publicly-owned property installed by LESSEE and trade fixtures all of which LESSEE agrees to remove within thirty (30) days after the end of the Lease term, and with respect to any damage caused by LESSEE's sole active negligence in such removal, LESSEE shall have the obligation to restore the Leased Premises to its condition prior to such removal save and except for normal wear and tear.

ARTICLE XX HOLDING OVER

20.1 Should LESSEE hold over the Leased Premises, or any part thereof, after the expiration or termination of the term of this Lease Agreement, such holding over shall constitute and be construed as a tenancy from month to month only, at a rental equal to the rent paid for the last month of the term of this Lease Agreement. The inclusion of the preceding sentence shall not be

construed as consent for the LESSEE to hold over.

ARTICLE XXI
TEXAS LAW TO APPLY

21.1. This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Bexar County, Texas.

ARTICLE XXII
PARTIES BOUND

22.1 This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective legal representatives, successor, and assigns except as otherwise express as otherwise expressly provided herein.

ARTICLE XXIII
LEGAL CONSTRUCTION

23.1 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision has never been contained herein.

ARTICLE XXIV
PRIOR AGREEMENTS SUPERSEDED

24.1 This Agreement, including any exhibits attached hereto, constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter within.

ARTICLE XXV
NO SUBSTANTIAL INTEREST

25.1 LESSOR acknowledges that it is informed that Texas law prohibits contracts between the CITY and any local public official ("official"), such as a city officer or employee, and that the prohibition extends to an officer and employee of CITY agencies such as City-owned utilities and certain City boards and commissions, and to contracts involving a business entity in which the official has a substantial interest, as defined by Texas law, if it is reasonably foreseeable that an action on the matter would confer an economic benefit on the business entity. LESSOR certifies (and this Lease Agreement is made in reliance thereon) that to the best of its knowledge and belief, neither it, its individual officers, employees, or agents, nor any person having a substantial interest in this Lease Agreement is an officer or employee of the City or any of its agencies.

ARTICLE XXVI
COUNTERPARTS ONE AGREEMENT

26.1 This Lease Agreement and all other copies of this Lease Agreement, insofar as they relate to the rights, duties, and remedies of the parties, shall be deemed to be one agreement. This Lease Agreement may be executed concurrently in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

ARTICLE XXVII
NOTICE

27.1 Unless otherwise provided herein, any notice, tender, or delivery to be given hereunder by either party to the other may be effected by personal delivery in writing or by certified mail, postage prepaid, return receipt requested.

LESSOR: S & S Shopping Ctrs Ltd
40 NE Loop 410, Suite 102
San Antonio, TX 78216

LESSEE: ATTENTION: City Clerk
City Of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3 966

ATTENTION: Director Of Health
San Antonio Metropolitan Health District
332 W. Commerce
San Antonio, Texas 78205

ARTICLE XXVIII
MEMORANDUM OF LEASE

28.1 LESSOR and LESSEE each agree to execute a Memorandum of Lease for this Lease Agreement in recordable form upon reasonable request to so provide such documentation. However, the Lease Agreement itself shall not be recorded unless both parties agree in writing thereto.

ARTICLE XXIX
RIGHT OF TERMINATION AND RIGHT OF NON-APPROPRIATION

29.1 LESSOR and LESSEE agree that the WIC Program, under which LESSEE shall operate its office in the Building, is funded through the Texas Department of State Health Services (TDSHS). In the event that the WIC Program, as defined above, loses its funding and/or the City of San Antonio is not offered a contract for services, or the program is not provided for in the annual City of San Antonio budget as approved by the passage of a City of San Antonio Ordinance each year, the LESSEE shall have the right to terminate the lease, provided LESSEE provides LESSOR thirty (30) days written notice of its intent to terminate and further provided that LESSEE is not in default and is current on all rent owed to the LESSOR. If the LESSEE is delinquent in rent, LESSEE shall remain liable for payment of the delinquent rent only, and NOT for any future rent due after the date of termination. In the event that LESSEE elects to terminate as provided above, LESSEE shall vacate the space by the termination date and shall leave the

space in broom clean condition. Notwithstanding any other provision of this Lease agreement, LESSOR understands and agrees that all obligations of LESSEE are subject to annual appropriations by the City Council of the City of San Antonio. In the event that LESSEE shall fail to appropriate sums to pay any of the LESSEE'S obligations under the terms of this lease, and due to such failure LESSEE shall not have the funds to pay such obligations, LESSOR'S sole remedy shall be to terminate this Lease and LESSEE shall have no further obligations hereunder.

ARTICLE XXX
COMPLIANCE WITH LAWS

30.1 LESSOR warrants that the Leased Premises and Building are, and will continue to be during the term hereof, in compliance with the San Antonio City Charter, City Code, City and County ordinances, Federal and State laws, including, but not limited to, the Americans with Disabilities Act and all regulations thereunder that are applicable to the Leased Premises and the Building.

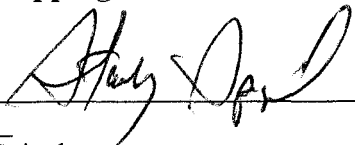
ARTICLE XXXI
AUTHORITY

31.1 The signer of this Lease Agreement for S & S Shopping Ctrs Ltd, hereby represents and warrants that he has full authority to execute this Lease Agreement on behalf of LESSOR and that he has had full opportunity to read the contents hereof and to seek its review by legal counsel.

AGREED TO THIS _____ DAY OF _____ 2006

LANDLORD:

S & S Shopping Ctrs Ltd



Stanley Spigel
General Partner

LESSEE:

**CITY OF SAN ANTONIO,
A TEXAS MUNICIPAL CORPORATION**

Frances A. Gonzalez
Assistant City Manager

ATTEST:

Leticia M. Vacek
City Clerk

Date

APPROVED AS TO FORM:

Michael D. Bernard
City Attorney